# EXTENSIONS OF REMARKS

## ACTIVITY REPORT OF THE SELECT COMMITTEE ON HOMELAND SECURITY

**HON. RICHARD K. ARMEY**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. ARMEY. Mr. Speaker, due to the unique circumstances of the Select Committee on Homeland Security, we were unable to complete the committee activity report required under clause 1(d) of rule XI of the Rules of the House of Representatives for the 107th Congress in time to have it printed as a House report. However, I am submitting this report for printing in the RECORD so that the legislative history of the Homeland Security Act will be preserved.

REPORT ON THE ACTIVITY OF THE SELECT COMMITTEE ON HOMELAND SECURITY FOR THE 107TH CONGRESS

Mr. ARMEY, from the Select Committee on Homeland Security, submitted the following Report:

AUTHORIZING RESOLUTION

On June 18, 2002, the Committee on Rules reported an original measure, H.Res. 449 (H. Rept. 107–517), to establish the Select Committee on Homeland Security. On June 19, 2002, the House agreed to the resolution by a voice vote. The text of the resolution follows:

H. RES. 449

*In the House of Representatives, U.S., June 19, 2002.*

*Resolved,* That there is hereby established a Select Committee on Homeland Security.

SEC. 2. COMPOSITION.—The select committee shall be composed of nine Members appointed by the Speaker, of whom four shall be appointed on the recommendation of the Minority Leader. The Speaker shall designate one member as chairman.

SEC. 3. JURISDICTION.—The select committee may develop recommendations and report to the House on such matters that relate to the establishment of a department of homeland security as may be referred to it by the Speaker and on recommendations submitted to it under section 6.

SEC. 4. PROCEDURE.—(a) Except as provided in paragraphs (1) and (2), rule XI shall apply to the select committee to the extent not inconsistent with this resolution.

(1) Clause 1(b) and clause 2(m)(1)(B) of rule XI shall not apply to the select committee.

(2) The select committee is not required to adopt written rules to implement the provisions of clause 4 of rule XI.

(b) Clause 10(b) of rule X shall not apply to the select committee.

SEC. 5. FUNDING.—To enable the select committee to carry out the purposes of this resolution, the select committee may utilize the services of staff of the House.

SEC. 6. REPORTING.—Each standing or permanent select committee to which the Speaker refers to a bill introduced by the Majority Leader or his designee (by request) that proposes to establish a department of homeland security may submit its recommendations on the bill only to the select committee. Such recommendations may be submitted not later than a time designated by the Speaker.

(b) The select committee shall consider the recommendations submitted to it on a bill described in subsection (a) and shall report to the House its recommendations on such bill.

SEC. 7. DISSOLUTION.—(a) The select committee shall cease to exist after final disposition of a bill described in section 6(a), including final disposition of any veto message on such bill.

(b) Upon the dissolution of the select committee, this resolution shall not be construed to alter the jurisdiction of any standing committee.

SEC. 8. DISPOSITION OF RECORDS.—Upon dissolution of the select committee, the records of the select committee shall become the records of any committee designated by the Speaker.

LEGISLATIVE AND OVERSIGHT ACTIVITIES

LEGISLATIVE ACTIVITIES

HOMELAND SECURITY ACT OF 2002

Public Law 107–296 (H.R. 5005, H.R. 5710)

*Summary.* The Homeland Security Act of 2002, will create the Department of Homeland Security (DHS) to provide for the security of the American people, territory, and sovereignty within the United States. The Department of Homeland Security will help fulfill the Constitutional responsibility of the Federal government by providing for the common defense by uniting, under a single department those elements within the government whose primary responsibility is to secure the United States homeland. This department will have the mission of preventing terrorist attacks within the United States, reducing the United States' vulnerability to terrorism, minimizing the damages from attacks, and assisting in recovery from any attacks, should they occur. The Department must fulfill these missions while protecting civil liberties.

The Department's primary responsibilities will include: analyzing information and protecting infrastructure; developing countermeasures against chemical, biological, radiological, and nuclear attacks; securing U.S. borders and transportation systems; organizing emergency preparedness and response efforts; conducting homeland security related research, development, technology, and acquisition programs; coordinating counterterrorism activities with other Federal agencies, State and local governments, and the private sector. The Department will bring together 22 existing Federal agencies or portions of agencies under a single clear chain of command. Each of these agencies will continue to be responsible for carrying out existing and emergent homeland security functions.

Leading the Department will be a Secretary who is appointed by the President, with the advice and consent of the Senate. The Department will have one Deputy Secretary and a total of 5 Under Secretaries who report to the Secretary for each of the following functional areas: Information Analysis and Infrastructure Protection; Science and Technology; Border and Transportation Security; Emergency Preparedness and Response; and Management. Additionally, there will also be no more than 12 Assistant Secretaries and a Director of the Bureau of Citizenship and Immigration Services. The Commandant of the Coast Guard and the Director of the United States Secret Service will also report directly to the Secretary. Finally, the Transportation Security Administration will be maintained as a separate entity within the Department for 2 years.

*Legislative History.* H.R. 5005, the Homeland Security Act of 2002, was introduced by request by Mr. Armey and 113 original cosponsors on June 24, 2002. Pursuant to the provisions of H. Res. 449, the bill was referred to the Select Committee and additionally to 12 other committees of jurisdiction through July 12, 2002.

While only the Select Committee was authorized to report the legislation to the House, several committees marked up their recommendations to the Select Committee. The Committee on Agriculture met and approved their recommended amendments on July 11, 2002 by a voice vote. The Committee on Armed Services met and approved their recommended amendments on July 10, 2002 by a voice vote. The Committee on Energy and Commerce met and approved their recommended amendments on July 11, 2002 by a voice vote. The Committee on Government Reform met and approved their recommended amendments on July 11, 2002 by a record vote of 31 yeas and 1 nay. The Committee on International Relations met and approved their recommended amendments on July 10, 2002 by a voice vote. The Committee on the Judiciary held a legislative hearing on June 27, 2002 and met and approved their recommended amendments on July 10, 2002 by a voice vote. The Committee on Science held a legislative hearing on June 24, 2002 and met and approved their recommended amendments on July 10, 2002 by a voice vote. The Committee on Transportation and Infrastructure met and approved their recommended amendments on July 11, 2002 by a voice vote. The Committee on Ways and Means met and approved their recommended amendments on July 10, 2002 by a record vote of 34 years and 3 nays. The Committees on Appropriations and Financial Services, and the Select Committee on Intelligence forwarded recommendations without formal meetings. On July 12, 2002, all of the committees of jurisdiction were discharged from the further consideration of the bill.

The Select Committee on Homeland Security held a legislative hearing on July 15, 16, and 17, 2002. On July 19, 2002, the Select Committee met in open session and ordered H.R. 5005 favorably reported to the House, with an amendment, by a record vote of 5 yeas and 4 nays, a quorum being present. The Select Committee reported the bill to the House on July 24, 2002 (H. Rept. 107–609, Part I).

The Committee on Rules met and reported a rule, H. Res. 502, providing for the consideration of H.R. 5005 (H. Rept. 107–615) on July 25, 2002 (the legislative day of July 24, 2002). The rule provided for 90 minutes of general debate, followed by consideration of a set of amendments mutually agreed upon by the Speaker and Minority Leader. The House considered H. Res. 502 on July 25, 2002 and agreed to the resolution by a voice vote.

The House began consideration of H.R. 5005 on July 25, 2002. Consideration of the bill and amendments made in order by the rule continued through July 26, 2002. A motion to recommit with instructions offered by Ms. DeLauro, addressing the ability of companies incorporated in ''tax haven'' countries to contract with the Department of Homeland Security, was agreed to by a record vote of 318 yeas and 110 nays. The House passed the bill by a record vote of 295 yeas and 132 nays.

H.R. 5005 was received in the Senate on July 30, 2002 and placed on the Senate legislative calendar. On July 31, 2002, a motion to proceed to the consideration of the bill was made and a cloture motion on the motion to proceed was presented. The cloture motion was withdrawn on August 1, 2002. On September 3, the motion to proceed was considered by unanimous consent and agreed to by a vote of 94 yeas and no nays.

The Senate considered H.R. 5005 from September 5, 2002 through October 1, 2002.

On November 12, 2002, H.R. 5710, the Homeland Security Act of 2002, was introduced by Mr. Armey and 9 original cosponsors. The text of the measure was drafted as an effort to reconcile the House-passed version of H.R. 5005, and the Gramm amendment to H.R. 5005 in the Senate. The bill was referred solely to the Select Committee on Homeland Security. The Select Committee did not act on this bill.

On November 13, 2002 (the legislative day of November 12, 2002), the Committee on Rules reported a rule providing for the consideration of H.R. 5710 (H. Res. 600; H. Rept. 107–773). A closed rule, the resolution provided for one hour of general debate, equally divided, and a motion to recommit, with or without instructions. The House considered the Rule on November 13, 2002, and agreed to the resolution by a vote of 237 yeas and 177 nays.

On November 13, 2002, the House proceeded to the consideration of H.R. 5710. Mr. Roemer offered a motion to recommit the bill with instructions to add provisions creating a commission to investigate the events of September 11, 2001. The motion to recommit was not agreed by a vote of 203 yeas and 215 nays, and the bill was passed by a vote of 299 yeas and 121 nays. The bill was received in the Senate on November 14, 2002.

On November 13, 2002, the Senate resumed consideration of H.R. 5005. The text of H.R. 5710 was offered as the Thompson amendment to H.R. 5005 (S. Amdt. 4901). Cloture on the amendment was invoked on November 15, 2002 by a vote of 65 yeas and 29 nays and the amendment was agreed to on November 19, 2002 by a vote of 73 yeas and 26 nays.

Cloture on the bill was also invoked on November 19, 2002 by a vote of 83 yeas and 16 nays and the bill passed the Senate, as amended, by a vote of 90 yeas and 9 nays.

On November 22, 2002, the House concurred in the Senate amendment to H.R. 5005 by unanimous consent, clearing the bill for the President. The bill was presented to the President on November 22, 2002 and was signed on November 25, 2002, becoming public law number 107–296.

OVERSIGHT ACTIVITIES

TRANSFORMING THE FEDERAL GOVERNMENT TO PROTECT AMERICA FROM TERRORISM

On July 11, 2002, the Select Committee held a hearing on transforming the Federal government to protect American from terrorism. The hearing focused on the changes domestically and abroad which led to the homeland security situation found in the wake of the events of September 11, 2001. Testifying at the hearing were the Honorable Collin Powell, Secretary of State, the Honorable Paul H. O'Neill, Secretary of the Treasury, the Honorable Donald Rumsfeld, Secretary of Defense, and the Honorable John Ashcroft, Attorney General.

HEARINGS HELD

*Transforming the Federal Government to Protect America from Terrorism.*—Oversight hearing on transforming the Federal government to protect America from terrorism. Hearing held on July 11, 2002. Serial No. 107–1.

*Homeland Security Act of 2002.*—Legislative hearing held on H.R. 5005, the Homeland Security Act of 2002. Hearing held on July 15, 16, and 17, 2002. Serial nos. 107–2 and 107–3.

## DR. GEORGE V. IRONS, SR.'S INDUCTION TO THE ALABAMA MEN'S HALL OF FAME

**HON. ROBERT B. ADERHOLT**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. ADERHOLT. Mr. Speaker, I rise today to recognize one of Alabama's greatest native sons—Dr. George Vernon Irons, Sr.

Dr. Irons recently received Alabama's highest posthumous honor—induction into the Alabama Men's Hall of Fame in Birmingham. The Alabama Men's Hall of Fame was created by the Alabama legislature in 1987. Its selection board is comprised of members from all seven congressional districts, the Governor, director of archives and history and the President of Samford University.

Past inductees include America's most distinguished leaders: Wernher Von Braun, famed scientist who developed the rocketry to blast American astronauts to the Moon and return safely—a first in human history; George Washington Carver, botanist who mutated plants to give the south vital food sources; and James A. ''Brother'' Bryan, humanitarian, who gave sacrificially to fellow Alabamians during its severest economic times.

Its most recent inductee, Dr. Irons, was distinguished professor of history and political science, Samford University for a near half century and one of the Nation's greatest athletes. Born in the ''Shadows of Gaineswood'' in Demopolis, Alabama in 1902, a century later, he is still breaking records. Dr. Irons is the only athlete inducted by the Alabama Men's Hall of Fame—the only Samford University Professor—and the only individual inducted by both the Alabama Men's Hall of Fame and the prestigious Alabama Sports Hall of Fame.

While at the University of Alabama, he was first spotted by Coach Hank Crisp running across the campus—late to class. He promptly put him on the track team, where he broke a collegiate record the first time he ever pulled on a Crimson Tide uniform. Here's how a southern Governor described Bama's ''Chariot of Fire:''

''Long before Bama had been to its first bowl game, before legendary Coach Paul Bear Bryant had won a game, Captain George Irons blazed a crimson streak across southern skies establishing an athletic tradition, smashing records in distance events as 'Ironsides' and the 'Knight of the Cinder Path.' ''

As road racing champion (distance events begun at halftime of major football games and finishing as the halftime show—after a hill and dale course of about 4 miles), Bama's superstar was the ''best there ever was.'' Legendary Crimson Tide coach Wallace Wade (three time Rose Bowl winner) said Irons was: ''The greatest distance runner of his era.''

He is the only Crimson Tide track man—the only distance man ever inducted by the Alabama Sports Hall of Fame—rare honors he may hold forever. Remarkably, some of his records still stand—nearly a century later.

Pretty swift in the classroom too, Irons was Phi Beta Kappa honor graduate, Rhodes scholar nominee, earning his doctorate at Duke University. Dr. George Denny, president of the University of Alabama, appointed him assistant to the faculty beginning his ''longest run'' in higher education. He later joined Howard College (now Samford University) in 1933. He also distinguished himself in World War II, rising to the rank of colonel, serving 33 years active and reserve duty—a Samford record.

Dr. Irons received Freedom Foundation's (Valley Forge, Pennsylvania), George Washington Medal of Honor for his speech in 1962 entitled: ''Freedom, America's Weapon of Might.'' It was broadcast worldwide on the U.S. Armed Forces Network. Irons was the first southerner to win this prestigious national award.

Mr. Speaker, Dr. Irons was the only man elected by the Alabama Men's Hall of Fame from the 20th century. J. Lamar Monroe Curry, former Member of the United States Congress and Ambassador to Spain, was elected for the 19th century. To be considered, nominees must have strong connections to our State and have made a national or international impact in his profession.

Dr. Irons taught seventeen students who became university presidents—a record in American education. His innovations in curriculum became a model for higher education across the South and Nation. A former student wrote: ''Dr. Irons was more than a teacher, he was an architect of the human mind. When he looked out to teach a class, he did not see simply students—he saw the mirror image of God.''

His influence continues through the many students who were inspired by his life. It's no surprise his student roster included those who became captains of industry, Supreme Court Justices, Governors, law school deans and America's leaders.

The induction ceremony was held at the club in Birmingham by the Committee of 100 Women (leaders of Alabama's civic and social communities) and the Alabama Men's Hall of Fame. Dr. Irons' son, Mountain Brook attorney, William L. Irons, gave a moving speech highlighting his father's contributions to Alabama and the American Nation. His bust was unveiled by Dr. Irons' great grandson, Dylan Alexander Irons of Charlotte, North Carolina.

Inductees' busts are housed in the Alabama Men's Hall of Fame located in the Harwell G. Davis Library of Samford University. As inductee of both of Alabama's most prestigious halls of fame, Dr. Irons has placed a footprint where no man or woman has trod and should inspire future Alabamians.

Mr. Speaker, I ask that the article in the University of Alabama Alumni Magazine, entitled: ''Knight of the Cinder Path,'' be included in the CONGRESSIONAL RECORD for America to share the achievements of this great American who served his university as distinguished educator a near half century, his country in war and peace for a third of the 20th century and his alma mater, the University of Alabama, as record breaking champion athlete and honor graduate.

## SEC

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. LAFALCE. Mr. Speaker, it is my pleasure to submit to the CONGRESSIONAL RECORD the important work that has been done at the Securities and Exchange Commission (SEC) in the last year under Chairman Harvey Pitt. While there has been much turmoil and controversy over the last year, we should recognize and honor the many very real and important accomplishments of the Commission and its staff during this period. From the incredible efforts of Chairman Pitt and Commission staff to help the securities markets recover from the devastation of September 11, 2001, to the unprecedented number of enforcement cases and complex financial fraud investigations undertaken in the last year, Chairman Pitt and the Commission have much of which to be proud.

SEC ACCOMPLISHMENTS

FISCAL YEAR 2002

The 2002 Fiscal Year has been challenging for the markets and investors alike. This past year included not only the continued effects of the tragedies of September 11, 2001, but also the significant corporate scandals that began with Enron. Fiscal Year 2002 represented a continuation of the SEC's work on important issues such as market structure, regulatory reform for mutual funds, and improved regulation of research analyst conflicts. In the past year, the SEC has taken unprecedented, aggressive steps to investigate possible wrongdoing, propose tough new regulations, and fully implement the Sarbanes-Oxley Act.

*Overall agency highlights*

Implementation of the Sarbanes-Oxley Act—The Commission has moved aggressively to implement provisions of the landmark legislation signed into law on July 30, 2002, to reform the accounting industry and restore the integrity of the financial reporting system. Since the bill was signed into law, the Commission has undertaken ten major rulemakings, while making significant progress on the seven studies required by the legislation.

Response to the September 11, 2001 terrorist attacks—The Commission actively responded to the events of September 11. During the attacks, the New York offices of the SEC were destroyed, and the Commission worked quickly to reestablish operations. The Commission continues to work with other U.S. financial regulators—the Federal Reserve Board, the Office of the Comptroller of the Currency and the New York State Banking Department—on a project to strengthen the operational resilience of the financial sector. The Commission has also taken numerous steps to implement the Patriot Act to deter international money laundering and combat terrorist financing.

SEC, NY Attorney General, NYSF, NASD, NASAA Agreement on Reforming Wall Street Practices—The Commission, the New York State Attorney General's Office, the NYSE, the NASD and the North American Securities Administrators Association announced a joint effort to bring to a speedy and coordinated conclusion the various investigations concerning analyst research and IPO allocations. (October 3, 2002)

Review of Initial Public Offering Process—The SEC asked the National Association of Securities Dealers and the New York Stock Exchange to review the initial public offering (IPO) process, including IPO allocation practices and the roles of issuers and underwriters in the price setting and offering process. (August 22, 2002)

*Enforcement initiatives*

In the past year the Enforcement Division of the SEC has taken a record 598 actions, a 24% increase over 2001, and a 19% increase over 2000. (See ''Record of Enforcement'' below.)

This year's actions include the following significant cases:

Charged former Enron CFO, Andrew Fastow with fraud. (October 2, 2002)

Settled fraud charges against Michael Kopper, a former high-ranking Enron official. (August 21, 2002)

Charged three former senior executives of Homestore Inc. with perpetrating an extensive scheme to fraudulently inflate Homestore's advertising revenues by arranging fraudulent ''round-trip'' transactions. The defendants agreed to return ill-gotten gains of approximately $4.6 million to be paid to the benefit of shareholders, under the Fair Funds provision of the recently enacted Sarbanes-Oxley Act of 2002. (September 25, 2002)

Settled with Dynegy for securities fraud charges involving Special Purpose Entities (SPEs) and round-trip energy trades. (September 24, 2002)

Charged three former top Tyco International executives, including CEO L. Dennis Kozlowski, with failing to disclose multi-million dollar low interest and interest-free loans from the company, and in some cases, never repaid. They were also charged with selling shares of Tyco stock valued at millions of dollars while their self-dealing remained undisclosed. (September 12, 2002)

Charged Adelphia and Rigas family with massive financial fraud. (July 24, 2002)

Filed fraud charges against WorldCom within 24 hours of the company's revelation of its massive accounting problems. (June 26, 2002)

Charged former Rite Aid senior management with fraud in connection with its financial disclosures. (June 21, 2002)

Settled SEC enforcement action for financial fraud with Xerox, assessing a $10 million penalty, the largest ever penalty against a public company for financial fraud. (April 11, 2002)

Filed a settled action against Credit Suisse First Boston for IPO allocation practices that violated NASD rules. CSFB agreed to pay $100 million in penalties and disgorgement. (January 22, 2002)

Brought a settled administrative action charging Trump Hotels with fraud in the first enforcement action based on misleading ''pro forma financials.'' (January 16, 2002)

Brought a series of significant settled enforcement actions alleging violations of the auditor independence rules against Price WaterhouseCoopers, Moret Ernst & Young Accountants and KPMG. (July 17, 2002; June 27, 2002; January 14, 2002)

*Corporate disclosure and accounting initiatives*

Pro Forma Financial Statements—The Commission issued cautionary advice related to ''pro forma'' financial information, or information that is not prepared using Generally Accepted Accounting Principles required for financial statements filed with the SEC, and that may be confusing or misleading. The Commission issued an ''Investor Alert'' that describes how ''pro forma financials should be analyzed, including a reminder that they should be viewed with appropriate and healthy skepticism.'' (December 4, 2001)

Monitoring Annual Reports of Fortune 500 Companies—The Commission monitored the annual reports of all Fortune 500 Companies to identify information that may be unclear or conflict with Generally Accepted Accounting Principles or SEC rules. (December 21, 2001)

Disclosure of Equity Compensation Plan Information—Adopted rule amendments designed to enhance disclosure about equity compensation plans, including stock options. (December 21, 2001)

Disclosure Requirements for Public Companies—Called for corporate disclosure of the impact of off-balance sheet arrangements and other obligations regarding liquidity and capital resources. (January 22, 2002)

Disclosure of Certain Management Transactions—Proposed amendments responding to investors' need for timely disclosure of transactions and other arrangements between companies and their executive officers and directors, (April 12, 2002—later included in the Sarbanes-Oxley Act)

Acceleration of Periodic Report Filing Dates—Proposed (April 12, 2002) and adopted (August 17, 2002) acceleration of the filing of quarterly and annual reports to be phased in over three years. These rules require that annual reports be filed within 60 days of the close of the fiscal year and quarterly reports be filed within 35 days of each quarter's end.

Mandated EDGAR Filing for Foreign Issuers—Adopted rule amendments to require foreign private issuers and foreign governments to file their securities documents electronically through the EDGAR system. (May 8, 2002)

Critical Accounting Polices—Proposed amendments to enhance investors' understanding of the application of companies' critical accounting polices. (May 10, 2002)

Additional Current Disclosure Requirements and acceleration of Filing Date—To provide investors with up-to-date information, proposed additional items and events that must be reported on Form 8–K within two business days of the action. (June 17, 2002)

Certification of Disclosure in Companies' Quarterly and Annual Reports—To increase the accountability of senior company officers, proposed rules to require certification of a company's reports by the CEO and CFO. (June 17, 2002—later included in the Sarbanes-Oxley Act)

SEC Order to Largest Publicly Traded Companies—Ordered the 947 largest publicly traded companies to certify the accuracy and completeness of their filings. (June 27, 2002)

SRO Listing Standards on Corporate Governance—In response to the SEC's request in February, the NYSE and Nasdaq have come forward with proposals that will produce the most substantial corporate governance and listing standards reform in decades.

*Market regulation initiatives*

Commodities Futures Modernization Act (CFMA) Rulemakings—Conducted extensive rulemaking, much of it jointly with the Commodities Futures Trading Commission, to permit for the first time trading in security futures products, including single stock futures.

Analyst Conflicts of Interest—Approved NASD and NYSE rules that address potential conflicts of interest by research analysts. Launched a thorough examination of analyst conflicts of interest. Proposed Regulation AC, requiring research analysts to certify the truthfulness of their views in research reports and public appearances and disclose whether they have received any compensation related to the specific recommendation provided in those reports and appearances.

Rating Agencies—Launched a thorough examination of the role of rating agencies in the U.S. securities markets.

Significant Progress on Options Market Linkage—Approved an amendment to the

Linkage Plan filed by the options exchanges that, among other things, requires the intermarket linkage to be fully implemented no later than April 30, 2003. The intermarket linkage in an important step in improving options customers' ability to receive the best prices available. (May 29, 2002)

*Investment management initiatives*

Investment Adviser Public Disclosure—Launched website which provides investors a valuable tool to help compare the business practices, services and fees of investment advisers online, free of charge. The website also contains disciplinary information regarding advisers. (September 25, 2001)

Mutual Fund Advertising Proposal—Proposed amendments to modernize the mutual fund advertising rules. (May 14, 2002)

Hedge Funds Investigation—Launched a formal fact-finding investigation to provide the Commission with a better understanding of the issues currently affecting private investment funds, including Hedge Funds. (May 29, 2002)

Disclosure of Proxy Voting by Mutual Funds and Investment Advisers—Proposed amendments that would require mutual funds and other registered management investment companies to file with the Commission, and make available to shareholders, their proxy voting records relating to portfolio securities and disclose the policies and procedures they use to determine how to vote proxies. The proposal would require advisers to adopt proxy voting policies, to disclose these policies to clients and how clients can obtain information on how the adviser has voted on the proxies. (September 19, 2002)

Fixed Income Exchange-Traded Funds—Approved the first exchange-trade funds based on fixed income indices, giving investors another option to invest in a basket of fixed income securities, providing lower expenses and intra-day pricing.

*Investor education and assistance initiatives*

Fake ''Scam'' Site Initiative—Launched three fake ''scam'' Web sites that warn investors about fraud before they lose their money. *http://www.mcwhortle.com.* (January 20, 2002)

Roundtables and Investor Summit—Held three Roundtables on Accounting and Auditing: New York (March 4, 2002), Washington, DC (March 6, 2002) and Chicago (April 4, 2002) and held the first-ever Investor Summit. (May 10, 2002)

Investor Assistance—Provided individual responses to over 82,000 complaints and questions from investors. Additionally, the interactive ''Fast Answers'' database on the SEC's Web site provided instant answers to nearly 206,000 questions from the public.

U.S. SECURITIES AND EXCHANGE COMMISSION RECORD OF ENFORCEMENT

| | FY 2000 | FY 2001 | FY 2002 |
|---|---|---|---|
| Total Enforcement actions filed | 503 | 484 | 598 |
| Financial fraud and issuer reporting actions filed | 103 | 112 | 163 |
| Officer and director bars sought (in all categories of cases) | 38 | 51 | 126 |
| Temporary restraining orders filed (in all categories of cases) | 33 | 31 | 48 |
| Asset freezes (in all categories of cases) | 56 | 43 | 63 |
| Trading suspensions | 11 | 2 | 11 |
| Subpoena enforcement proceedings | 8 | 15 | 19 |
| Disgorgement ordered (in millions) [1] | $463 | $530 | $1,328 |
| Penalties ordered (in millions) [1] | $43.7 | $56.1 | $116.4 |

[1] Includes amounts disbursed to the NASD as part of the Credit Suisse First Boston settlement.

## COST ESTIMATE FOR H.R. 4966

### HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. HANSEN. Mr. Speaker, I request that the attached cost estimate for H.R. 4966 be submitted for the RECORD under General Leave.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, October 15, 2002.*

Hon. JAMES V. HANSEN,
*Chairman, Committee on Resources, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4966, the National Oceanic and Atmospheric Administration Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 4966—National Oceanic and Atmospheric Administration Act*

Summary: H.R. 4966 would update the organization plan for the National Oceanic and Atmospheric Administration (NOAA) and would authorize appropriations for several NOAA coastal and ocean research programs and support functions. Assuming appropriation of the amounts authorized for these activities, CBO estimates that the agency would spend $235 million in 2003 and about $1.6 billion over the 2003–2007 period. Enacting the bill would not affect direct spending or revenues.

The bill contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). Certain programs reauthorized by the legislation could provide grants and technical assistance to state and local governments. Any costs incurred by those entities as a result of participating in the NOAA programs would be voluntary.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 4966 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment). For this estimate, CBO assumes that the amounts authorized by the bill will be appropriated for each of fiscal years 2003 through 2007 and that outlays will follow historical spending patterns for the authorized NOAA programs.

| | By fiscal year, in millions of dollars— | | | | |
|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION [1] | | | | | |
| Authorized level | 335 | 339 | 342 | 346 | 349 |
| Estimated outlays | 235 | 321 | 334 | 344 | 348 |

[1] About $280 million was appropriated in fiscal year 2002 for the NOAA programs and activities that would be authorized by H.R. 4966. A full-year appropriation for 2003 has not yet been enacted for these programs.

Intergovernmental and private-sector impact: H.R. 4966 contains no intergovernmental or private-sector mandates as defined in UMRA. Certain programs reauthorized by the bill could provide grants and technical assistance to state and local governments. Any costs incurred by those entities as a result of participating in the NOAA programs would be voluntary.

Estimate prepared by: Federal costs: Deborah Reis; impact on state, local, and tribal governments: Susan Sieg Tompkins; impact on the private sector: Cecil McPherson.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

## COST ESTIMATE FOR H.R. 4840

### HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. HANSEN. Mr. Speaker, I request that the attached cost estimate for H.S. 4840 be submitted for the RECORD under General Leave.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, November 15, 2002.*

Hon. JAMES V. HANSEN,
*Chairman, Committee on Resources, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4840, the Sound Science for Endangered Species Act Planning Act of 2002.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Megan Carroll.

Sincerely,

STEVEN LIEBERMAN
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 4840—Sound Science for Endangered Species Act Planning Act of 2002*

Summary: Under the Endangered Species Act (ESA), certain species of plants and animals are listed as threatened or endangered based on assessments of the risk of their extinction. H.R. 4840 would amend the ESA to clarify the role of science as the basis for making certain decisions under that act.

CBO estimates that implementing H.R. 4840 would cost $94 million over the 2003–2007 period, assuming appropriation of the necessary amounts. The bill would not affect direct spending or revenues. H.R. 4840 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 4840 is shown in the following table. the costs of this legislation fall within budget function 300 (natural resources and environment).

| | By fiscal year, in millions of dollars— | | | | |
|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION [1] | | | | | |
| Estimated authorization level | 18 | 18 | 19 | 19 | 20 |
| Estimated outlays | 18 | 18 | 19 | 19 | 20 |

[1] In fiscal year 2002, federal agencies received about $65 million for consultation and administrative expenses under the ESA. The Congress has not yet provided a full-year appropriation for such activities for the current year.

Basis of estimate: Under the ESA, the Secretary of the Interior and the Secretary of Commerce maintain a list of species that are threatened or endangered. The ESA outlines a multistage process of review and public participation that the two secretaries must follow in making decisions to list or unlist a species and develop plans for its recovery.

H.R. 4840 would amend the ESA to clarify the role of science as the basis for certain decisions under that act. Specifically, the bill would:

Authorize the Secretaries of the Interior and Commerce to appoint independent scientific review boards to review particularly controversial ESA decisions before they become final;

Direct the secretaries to solicit and consider information from state agencies, landowners, and others who might be affected by decisions under the ESA;

Require the secretaries to promulgate regulations establishing criteria that scientific and commercial studies must meet in order to serve as the basis for decisions under the act; and

Direct the secretaries to give greater weight to studies that use empirical or field-tested data.

Based on information from the Department of the Interior and the National Marine Fisheries Service, CBO estimates that funding scientific review boards would cost $15 million in 2003 and $79 million over the 2003–2007 period, assuming appropriation of the necessary amounts. That estimate assumes that the secretaries would appoint 200 panels each year at an average cost of $75,000. Based on information from the agencies, we also estimate that meeting new requirements under H.R. 4840 would increase administrative costs by roughly $3 million annually, assuming the availability of appropriated funds.

Intergovernmental and private-sector impact: H.R. 4840 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal costs: Megan Carroll; impact on state, local and tribal governments: Marjorie Miller; impact on the private sector: Jean Talarico.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

## COST ESTIMATE FOR H.R. 4912

### HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. HANSEN. Mr. Speaker, I request that the attached cost estimate for H.R. 4912 be submitted for the RECORD under General Leave.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, October 25, 2002.*

Hon. JAMES V. HANSEN,
*Chairman, Committee on Resources, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4912, a bill to increase the penalties to be imposed for a violation of fire regulations applicable to public lands, National Park System lands, or National Forest System lands when the violation results in damage to public or private property, to specify the purpose for which collected fines may be used, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Megan Carroll (for federal costs), and Annie Bartsch (for revenues).

Sincerely,

BARRY B. ANDERSON,
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 4912—A bill to increase the penalties to be imposed for a violation of fire regulations applicable to the public lands, National Park System lands, or National Forest System lands when the violation results in damage to public or private property, to specify the purposes for which collected fines may be used, and for other purposes.*

CBO estimates that H.R. 4912 would not significantly affect the federal budget. The bill would increase both revenues and direct spending, but by less than $500,000 a year. H.R. 4912 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal government.

H.R. 4912 would increase fines and imprisonment terms for violating fire regulations on certain federal lands. The bill would authorize the Secretary of Agriculture and the Secretary of the Interior to spend, without further appropriation, amounts received from such fines to reimburse the appropriate department for certain costs incurred to respond to fires, rehabilitate damaged lands, and increase public awareness of legal requirements regarding the use of fire on public lands.

Under current law, collections of such fines are recorded in the budget as governmental receipts (revenues) and are deposited in the Crime Victims Fund and later spent. Based on information from the Department of the Interior and the Forest Service, CBO estimates that increasing those fines and authorizing the agencies to spend them would increase revenues and direct spending by less than $500,000 annually. We also estimate that any increased costs for prison operations, which would be subject to appropriation, would not be significant.

The CBO staff contacts for this estimate are Megan Carroll (for federal costs), and Annie Bartsch (for revenues). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

## COST ESTIMATE FOR H.R. 4601

### HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. HANSEN. Mr. Speaker, I request that the attached cost estimate for H.R. 4601 be submitted for the RECORD under General Leave.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, October 17, 2002.*

Hon. JAMES V. HANSEN,
*Chairman, Committee on Resources, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4601, a bill to provide for the conveyance of a small parcel of Bureau of Land Management land in Douglas County, Oregon, to the county to improve management of and recreational access to the Oregon Dunes National Recreation Area, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Megan Carroll (for federal costs), and Marjorie Miller (for the state and local impact).

Sincerely,

BARRY B. ANDERSON,
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 4601—A bill to provide for the conveyance of a small parcel of Bureau of Land Management land in Douglas County, Oregon, to the county to improve management of and recreational access to the Oregon Dunes National Recreation Area, and for other purposes*

CBO estimates that enacting H.R. 4601 would not significantly affect the federal budget. The bill would direct the Secretary of the Interior to convey, without consideration, 68.8 acres of federal land to Douglas County, Oregon. The county would use that land for recreational purposes. According to the Bureau of Land Management, the parcel to be conveyed currently generates no significant receipts and is not expected to do so over the next 10 years. Hence, we estimate that enacting H.R. 4601 would not significantly affect direct spending or revenues. We also estimate that the agency's administrative costs to complete the proposed conveyance would be negligible.

H.R. 4601 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. This conveyance would be voluntary on the part of Douglas County, as would any costs incurred by the county to comply with the conditions established by the bill.

The CBO staff contacts for this estimate are Megan Carroll (for federal costs), and Marjorie Miller (for the state and local impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

## COST ESTIMATE FOR H.R. 635

### HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. HANSEN. Mr. Speaker, I request that the attached cost estimate for H.R. 635 be submitted for the RECORD under General Leave.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, October 10, 2002.*

Hon. JAMES V. HANSEN,
*Chairman, Committee on Resources, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 635, the Homestead Steel Works National Historic Site Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 635—Homestead Steel Works National Historic Site Act*

Summary: H.R. 635 would establish the Homestead Steel Works National Historic Site (NHS) in Pennsylvania as a unit of the National Park System. The federal budgetary impact of enacting this legislation is uncertain and would depend on unknown factors such as the condition of property that may be acquired by the National Park Service (NPS), the need for mitigating environmental or other safety hazards, and the extent of nonfederal participation in the project. Depending on the level of restoration, stabilization, and development for visitor use that is undertaken, CBO estimates that initial costs to establish and operate the new NHS would be between $60 million and $120 million over the five years following enactment. Some of these costs could be borne by state, local, or nonprofit entities, but the legislation would not require cost-sharing. All federal spending to implement the project, including operating expenses of about $1 million annually, would be subject to appropriation. Enacting the legislation would not affect direct spending or revenues.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Major provisions: The Homestead Steel Works National Historic Site would consist of three or more separate properties in southwestern Pennsylvania—the Battle of Homestead site (between 3 acres and 5 acres and related structures), the 35-acre Carrie Furnace complex (including blast furnaces, an ore yard, and related buildings), the hot metal bridge over the Monongahela River, and possibly up to 10 acres of nearby land that may be acquired by the NPS for visitor and administrative facilities. H.R. 635 would authorize the NPS to accept donation of all of these sites as well as any related personal property. In addition to managing the NHS, the NPS could provide technical and financial assistance to local parties for their preservation and management efforts. The agency also would prepare a general management plan for the site within three years of the bill's enactment.

Estimated cost to the Federal Government: CBO estimates that one-time planning, restoration, and development costs to establish the Homestead Steel NHS would be between $50 million to $115 million over the first five years following the bill's enactment. Of this amount, an estimated $6 million to $14 million would be used to build administrative and visitor facilities and develop an interpretive program. Planning (including the preparation of a general management plan, historic structures report, environmental assessments, and other requisite studies) would cost $1 million over the first three years. The balance of one-time costs would be used to restore historic structures, stabilize or rehabilitate industrial property such as blast furnaces and the hot metal bridge, and mitigate hazardous conditions and environmental contamination.

We estimate that managing the new NHS would increase NPS operating costs by a total of $5 million through 2007. After 2007, estimated ongoing costs would be about $1.5 million a year. Annual costs would include routine NPS operating expenses, services to secure and maintain special property such as the bridge and blast furnaces, and technical assistance to nonfederal participant organizations.

This estimate is based on information provided by the nonprofit Steel Industry Heritage Corporation, the NPS, and other federal, state, and local agencies. For this estimate, CBO assumes that any property acquired for the proposed NHS would be donated to the NPS at no significant cost to the federal government. CBO further assumes that any significant contamination or other safety hazards located on donated property would be corrected before or soon after federal acquisition. (If the agency acquired contaminated or unsafe property, the federal government could be liable for future third-party damages, but CBO has no basis for estimating the likelihood or amount of such costs.)

Intergovernmental and private-sector impact: The bill contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal costs: Deborah Reis; impact on state, local, and tribal governments: Marjorie Miller; impact on the private sector: Lauren Marks.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

## COST ESTIMATE FOR H.R. 5399

### HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. HANSEN. Mr. Speaker, I request that the attached cost estimate for H.R. 5399 be submitted for the RECORD under General Leave.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, October 23, 2002.*

Hon. JAMES V. HANSEN,
*Chairman, Committee on Resources, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5399, the Carpinteria and Montecito Water Distribution Systems Conveyance Act of 2002.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 5399—Carpinteria and Montecito Water Distribution Systems Conveyance Act of 2002*

CBO estimates that implementing H.R. 5399 would have no significant impact on the federal budget. This bill would direct the Secretary of the Interior to convey all right, title, and interest of the federal government in the Carpinteria Distribution System to the Carpinteria Valley Water District, and in the Montecito Water Distribution System to the Montecito Water District. Both of these water distribution systems are part of the Cachuma Project in Santa Barbara County, California.

The Carpinteria Valley Water District has made all required payments on its contract with the Bureau of Reclamation for construction of the Carpinteria Distribution System. The Montecito Water District still owes about $9,000 for construction of the Montecito Water Distribution System and would be required to pay that sum as a condition of conveyance. Currently, the bureau spends less than $5,000 every three years to inspect these water distribution systems. Once these systems are conveyed, all operations and maintenance, including inspections, would be the responsibility of the districts.

Enacting H.R. 5399 would not affect direct spending or revenues. This legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Julie Middleton. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

## COST ESTIMATE FOR H.R. 5319

### HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

*Monday, December 16, 2002*

Mr. HANSEN. Mr. Speaker, I request that the attached cost estimate for H.R. 5319 be submitted for the RECORD under General Leave.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, October 16, 2002.*

Hon. JAMES V. HANSEN,
*Chairman, Committee on Resources, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5319, the Healthy Forests and Wildfire Risk Reduction Act of 2002.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Deborah Reis and Megan Carroll.

Sincerely,

BARRY B. ANDERSON,
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 5319—Healthy Forests and Wildfire Risk Reduction Act of 2002*

Summary: H.R. 5319 would establish procedures to be followed by the Department of the Interior and the Department of Agriculture in carrying out certain hazardous fuels reduction projects. These are projects undertaken to reduce the risks from catastrophic wildfires through controlled burning or other methods. The bill also would authorize the appropriation of whatever amounts are necessary to implement the bill's new procedures and to plan and conduct the projects to reduce wildfire risks.

Assuming appropriation of the amounts necessary to carry out the hazardous fuels reduction program, CBO estimates that implementing the bill would cost about $80 million in fiscal year 2003 and nearly $1.3 billion over the 2003–2007 period. Enacting this legislation could reduce offsetting receipts (a credit against direct spending), but CBO estimates that any such changes would be less than $500,000 a year.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Major provisions: H.R. 5319 would authorize expedited procedures for planning and conducting projects to reduce the risk of wildfires on certain high-priority federal lands managed by the Forest Service or the Bureau of Land Management (BLM). These procedures, which would limit some environmental assessment requirements and shorten administrative and judicial appeals, would apply to projects necessary to reduce risks to human life, property, water supplies, and wildlife. The expedited procedures authorized by the legislation would expire after September 30, 2005.

The legislation also would authorize the Forest Service and BLM to carry out the hazardous fuels reduction projects by entering into stewardship contracts or other agreements similar to those currently used by the Forest Service. The two agencies would be allowed to enter into a total of 41 new multiyear contracts through September 30, 2005.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 5319 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

| | By fiscal year, in millions of dollars— | | | | |
|---|---|---|---|---|---|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | |
| Hazardous fuels reduction projects:[1] | | | | | |
| Estimated authorization level | 410 | 420 | 430 | 450 | 460 |
| Estimated outlays | 80 | 170 | 250 | 340 | 430 |

[1] In 2002, $395 million was appropriated for similar activities.

Basis of estimate: For this estimate, CBO assumes that H.R. 5319 will be enacted early in fiscal year 2003 and that the amounts estimated to be necessary to carry out the hazardous fuels reduction program are appropriated for each fiscal year. The estimated costs are based on the amounts appropriated to the Forest Service and BLM for similar activities in 2002, including adjustments for anticipated inflation. (No appropriations have yet been enacted for this purpose in 2003.) Outlays are estimated on the basis of historical spending patterns for this activity.

Section 11 of the bill would expand and extend the authority provided for a pilot stewardship contract program in Public Law 105–277, the Department of the Interior and Related Agencies Appropriations Act, 1999. Under the new authority, both agencies could contract out hazardous fuels reduction projects and reduce payments to their contractors by the value of timber and other vegetation that a contractor retained. Because the new contracts could apply to lands that may otherwise have been the subject of future timber sales, offsetting receipts could be reduced by the value of removed vegetation that otherwise would have been sold. CBO estimates that the effect on such receipts would be less than $500,000 a year because most of the projects authorized by the bill would not be conducted on commercially valuable timberlands anyway.

Intergovernmental and private-sector impact: H.R. 5319 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal costs: Deborah Reis and Megan Carroll; Impact on state, local, and tribal governments: Marjorie Miller; Impact on the private sector: Lauren Marks.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.